



October 30, 2020

Notice Regarding the Recognition of One-Time Costs and Revision of the Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2021

This is to announce that impairment losses of non-current assets, and disposal and write-down of inventory are to be recognized in the quarter ended September 30, 2020, and the consolidated financial forecast for the first half ended September 30, 2020 and the fiscal year ending March 31, 2021 announced on August 6, 2020 are revised as below.

1. Recognition of Impairment Losses of Non-Current Assets

Regarding the non-current assets held by the Nikon Group (hereinafter “the Group”), based on its utilization status and the impact of COVID-19 on business activities, as a result of measuring the recoverable amount of the cash-generating units in which impairment was indicated, impairment losses of approximately ¥18.9B, mainly in the Imaging Products Business are to be recognized in the quarter ended September 30, 2020.

2. Recognition of Disposal and Write-Down of Inventory

As a result of scrutinizing the fair value of the inventory held by the Group, disposal and write-down of approximately ¥10.7B, mainly in related systems of the Precision Equipment Business converting fixed assets in order to development and refurbishment are to be recognized in the quarter ended September 30, 2020.

3. Revision of the Consolidated Financial Forecast

(1) Revised Consolidated Financial Forecast for the First Half ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

	Revenue (Millions of yen)	Operating Profit (Millions of yen)	Profit Before Income Taxes (Millions of yen)	Profit Attributable to Owners of the Parent (Millions of yen)	Basic Earnings per Share Attributable to Owners of the Parent (Yen)
Previous Forecast (A) (Announced on August 6, 2020)	165,000	-40,000	-35,000	-25,000	-68.10
Revised Forecast (B)	175,000	-47,000	-39,000	-32,000	-87.16
Difference (B)-(A)	10,000	-7,000	-4,000	-7,000	-19.06
Change (%)	6.1%	-17.5%	-11.4%	-28.0%	-28.0%
(Reference) Results of the First Half ended September 30, 2019	291,052	17,504	20,138	16,343	41.70

(2) Revised Consolidated Financial Forecast for the Fiscal Year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

	Revenue (Millions of yen)	Operating Profit (Millions of yen)	Profit Before Income Taxes (Millions of yen)	Profit Attributable to Owners of the Parent (Millions of yen)	Basic Earnings per Share Attributable to Owners of the Parent (Yen)
Previous Forecast (A) (Announced on August 6, 2020)	420,000	-75,000	-70,000	-50,000	-136.19
Revised Forecast (B)	430,000	-75,000	-70,000	-50,000	-136.19
Difference (B)-(A)	10,000	0	0	0	0
Change (%)	2.4%	0.0%	0.0%	0.0%	0.0%
(Reference) The Fiscal Year ended March 31, 2020	591,012	6,751	11,864	7,693	19.93

4. Reason for Revision of the Financial Forecast

For the consolidated financial results of the first half ended September 30, 2020, revenue will be forecasted to be ¥175.0B, surpassed ¥10.0B compared with the previous forecast due to recovery trend in business activities including the impact of COVID-19. Operating profit will be forecasted to be -¥47.0B, decreased ¥7.0B compared with the previous forecast, because of the one-time costs of approximately ¥29.6B (impairment losses of non-current assets of approximately ¥18.9B, and disposal and write-down of inventory of approximately ¥10.7B).

In addition, for the consolidated financial forecast for the fiscal year ending March 31, 2021, revenue is expected to exceed the previous forecast by ¥10.0B to ¥430.0B, based on the consolidated financial results of the first half ended September 30, 2020. Operating profit and each profit are forecasted to decrease due to the one-time costs in the first half of the fiscal year. However, based on the current recovery trend of business activities, the forecast for the fiscal year ending March 31, 2021 remains unchanged from the previous forecast.

Forecast in this disclosure is made by management in light of information currently available. A number of factors could cause actual results to differ materially from those disclosed as above.

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